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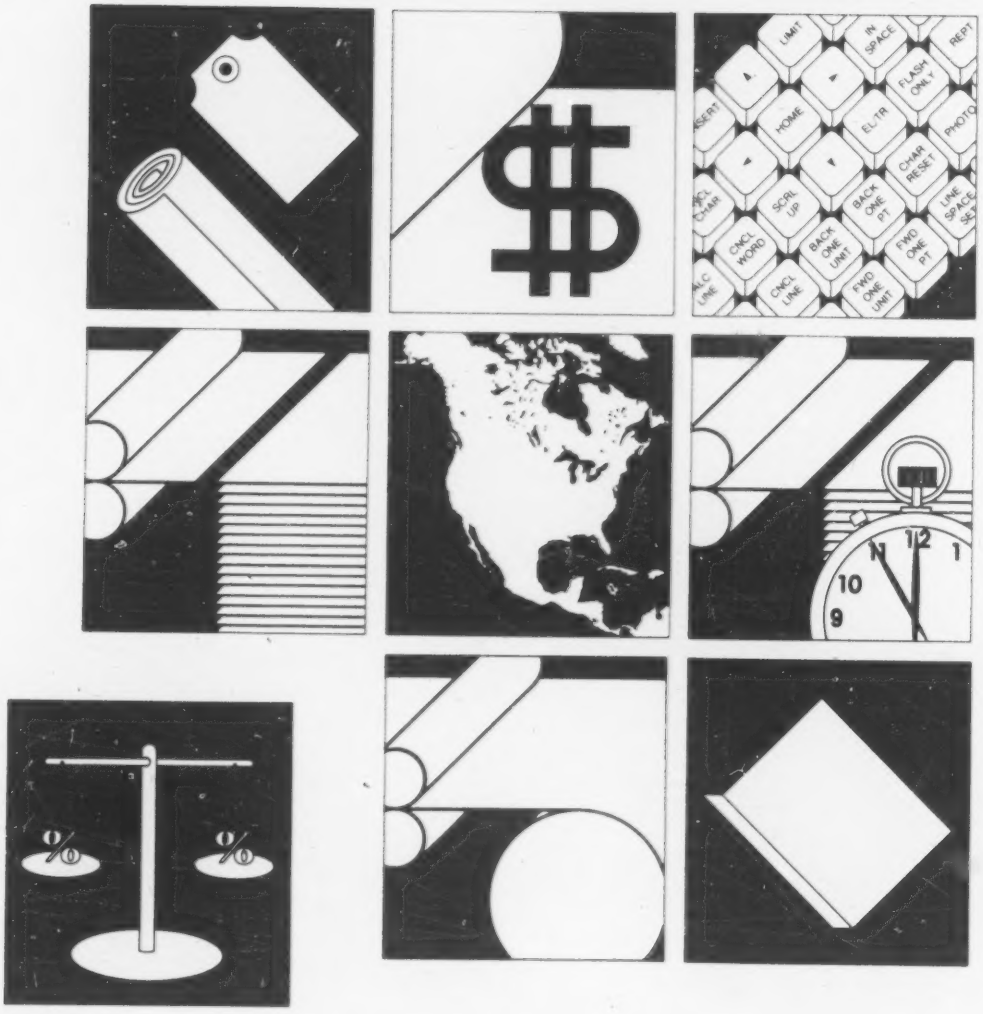
FINANCIAL SERVICES

1985 Financial Ratio Study



Volume IX
Book Manufacturers

ABOUT PIA...

Printing Industries of America, Inc., is a federation of national, regional, state, and city associations composed of over 12,000 graphic arts firms. PIA and its affiliated associations comprise the largest trade association in the world dedicated to serving the interests of the graphic arts community. Membership in one of PIA's Affiliated Associations automatically entitles an organization PIA membership.

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- Production Profit Target Program: production guidelines for sheetfed presses, web presses, bindery, and prepress equipment

For further information, contact:

William A. Rose, II
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1730 North Lynn Street
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PIA's Education and Publication Services is active in financial management, offering numerous publications on the subject:

- Best & Worst Markets for Printers in the 1980's (a unique marketing and financial planning aid, available by subscription directly from PIA)
- Cost Accounting for the Job Order Printer
- Graphic Arts Estimating, Volume I
- Money Making Guide to Printing Estimating, revised edition
- Running in the Black: Six Steps to Managing Printing Profitability
- Sales Compensation in the Printing Industry - 1983
- Simplified Cost System
- Tax Planning for Your Graphic Arts Business
- Understanding Value Added
- Value Added Financial Management: A Guide for Printers
- 1981–82 Production Management Compensation Survey
- 1983 Survey of Sales Management: Practices and Compensation

Members may obtain these books through their PIA Affiliated Associations' Graphic Arts Bookstores, or by calling 1-800/PIA-DATA. Available free upon request from PIA is PrintCatalog, a comprehensive listing of all the publications and programs offered by all components of PIA. For further information about how to order or about the contents of publications, contact:

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Volume IX: Book Manufacturers

An Annual Financial Survey Conducted By:
PIA Financial Services
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PRINTING INDUSTRIES OF AMERICA, INC.

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Dear Colleague:

1985 is the 62nd year in which Printing Industries of America, Inc. has collected and published detailed financial ratio information for members of the graphic arts community. The data presented each year provide a detailed and comprehensive picture of the financial status of the major segments of the graphic arts industries in the U.S., Canada, and throughout the world. In addition, it allows individual firms to compare their annual performance with that of many other similar firms, including those which earn well above-average profits. Ratio results are published annually. They are summarized as follows:

- Management Guide to the PIA Ratios
- All Printers by Sales Volume
- All Printers by Product Specialty
- All Printers by Geographic Area
- Sheetfed Printers by Size and Geographic Area
- Web Offset Printers — Heatset
- Web Offset Printers — Non-Heatset
- Combination Offset — Sheetfed/Web
- Book Manufacturers' Ratios
- Large Printers' Ratios
- Typographers' Ratios
- Preparatory Specialists' Ratios
- Binders' Ratios
- Quick Printers

For a more complete composite picture of your company's performance relative to the industry as a whole, several books could be used in your analysis, such as one of the overview volumes, e.g., *All Printers by Sales Volume*, and one that addresses your particular business segment or production process, e.g., *Book Manufacturers or Web Offset — Heatset*, respectively. Alternatively, such analysis is facilitated by participating in the Ratio Study each year and ordering an individual company computer printout which compares a participant's ratios to those of companies which are similar in size and sales volume, produce the same products, and use the same manufacturing process.

Please refer your questions on the PIA Ratio Study to your nearest local PIA affiliated association or to me at the address above.

William A. Rose, II
Director, PIA Financial Services

Dear Member of the Graphic Arts Community:

In the accompanying pages are the 1985 PIA FINANCIAL RATIOS FOR BOOK MANUFACTURERS. This Ratio Study was developed on the basis of questionnaires volunteered by 35 firms and presents the ratios and statistics of Book Manufacturers by sales volume, process specialty and product specialty.

Thus the user of the report can direct himself to the standards for his sales size — for example, sales from $.5 to $1.5 million, sales from $1.5 to $5 million, etc.; process specialty — for example, sheet-fed offset, web-fed offset or combination sheet-fed/web-fed offset; and product specialty — for example, printing and binding or printing only. Readers can compare the data from their own firm's financial statements with similar data from other firms in five areas: Operations based on Value Added and its Supporting Schedules, Operations based on Sales and its Supporting Schedules, Balance Sheet Ratios, Significant Facts, and Return on Investment.

We strongly believe in the importance of sharing this type of information among members of the graphic arts community and are proud to have played a role in these studies.

H.R. Margolis Company
Certified Public Accountants
Bala Cynwyd, Pennsylvania

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Dear Colleague:

Congratulations on taking part in this year's Book Manufacturer's Ratio Study program. I'm sure that as you review the wealth of information contained in this volume, you will find it a very rewarding exercise.

PIA Financial Services serves all segments of the graphic arts industry with extensive information sources and economic research capabilities. If we can be of service, do not hesitate to contact our office.

William A. Rose, II
Director, PIA Financial Services
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VALUE ADDED DEFINED

Value added is a technical term for sales of a company's own manufacture. It is calculated as sales less material costs and outside services.

Sales		$100.00
Less: Materials		
Paper	$ 23.00	
Other chargeable materials	5.00	
Outside services	8.00	36.00
Value Added		$ 64.00

Material costs include paper and other chargeable materials such as ink, film, plates etc., but not general supplies or the repair and maintenance of equipment. Outside services are purchases of job-related services - composition, offset preparation, printing, bindery, etc.

Value added financial management is based on a fundamental principle of accounting: Profit is achieved from sales of a company's own manufacture. Time and time again, when printing companies show high sales but low profits, the root of the problem is in the failure to pay attention to the relationship between value added and profit performance.

VALUE ADDED AND PROFITS

Since value added is sales less materials costs, it becomes a critical factor in paying your remaining expenses - expenses such as factory labor, other factory expenses, administrative expenses, selling expenses, and interest.

What is left is profit.

All sales do not contribute equally to fixed costs and profits. There are "good sales" and "better sales." Good sales are sales that require more than an average amount of materials and outside services. As a result, they have less value added with which to cover fixed costs and to produce a profit. They are called "good sales" simply because there are no "bad sales" in the printing industry.

Better sales require fewer materials and more inside sales - sales of your company's own manufacture. This type of sale generously covers overhead and pays more dollars into profits. Printing firms that follow value added financial management procedures do all work inside unless they cannot avoid sending it out.

A VALUE ADDED STATEMENT OF OPERATIONS

In keeping with the value added concept, operating statements are more meaningful when prepared on the basis of inside sales. In this type of presentation management starts its financial analysis with value added instead of the sales column. This eliminates the distortion introduced by material costs. For example, in comparing percentages based on sales of a short-run, sheet-fed company and a web offset firm, we could be faced with a significant difference in ratios because of differences in material costs. Although it would appear that the web offset operation had a lower factory labor cost because a substantial amount of its sales were materials, this might, in fact, not be the case at all. Instead, the factory labor cost could be more or less than its counterpart sheet-fed operation as it relates to the value added produced by this labor.

	COMPANY S SHEET-FED		COMPANY W WEB-FED	
		% OF SALES		% OF SALES
SALES	$1,000,000	100.00%	$1,000,000	100.00%
MATERIALS				
Paper	197,300	19.73	387,900	38.79
Other chargeable materials	42,800	4.28	35,000	3.50
Outside services	87,900	8.79	30,000	3.00
	328,000	32.80	452,900	45.29
		% OF VALUE ADDED		% OF VALUE ADDED
VALUE ADDED	672,000	100.00%	547,100	100.00%
FACTORY PAYROLL	241,800	35.98	177,500	32.44
FACTORY EXPENSES	121,800	18.13	101,300	18.52
	363,600	54.11	278,800	50.96
GROSS PROFIT	308,400	45.89	268,300	49.04
SELLING AND ADMINISTRATIVE EXPENSES	187,500	27.90	141,700	25.90
INCOME BEFORE INTEREST EXPENSE	120,900	17.99	126,600	23.14
Interest expense	18,300	2.72	7,900	1.44
OPERATING INCOME	102,600	15.27	118,700	21.70
Other income	10,200	1.52	16,200	2.96
INCOME BEFORE INCOME TAXES	$ 112,800	16.79%	$ 134,900	24.66%

The point is that every company's product mix is different, and by using statements of operations based on value added, this product mix difference is eliminated. Consequently, value added is a better statement with which to evaluate your operations.

REPORT ON OPERATIONS - VALUE ADDED = 100%

	ALL FIRMS REPORTING	
	ALL FIRMS	PROFIT LEADERS*
SALES OR VALUE OF PRODUCT PRODUCED	X	X
LESS: PAPER, OTHER CHARGEABLE MATERIALS AND OUTSIDE SERVICES	X	X
VALUE ADDED BY MANUFACTURE	100.00%	100.00%
FACTORY PAYROLL	47.10	35.49
FACTORY EXPENSES	20.88	20.37
TOTAL FACTORY COST OF PRODUCT	67.98	55.86
GROSS PROFIT	32.02	44.14
ADMINISTRATIVE AND SELLING EXPENSES		
Administrative expenses	13.53	10.72
Selling expenses	10.57	12.54
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	24.10	23.26
INCOME BEFORE INTEREST EXPENSE	7.92	20.88
Interest expense	3.90	1.80
OPERATING INCOME	4.02	19.08
Other income	1.74	1.97
INCOME BEFORE INCOME TAXES	5.76	21.05

* See page 10 for the definition of "Profit Leaders".
** Sample insufficient for Profit Leaders.

SALES FROM $1,500,000-$5,000,000**	SALES FROM $5,000,000-$10,000,000**	SALES OVER $10,000,000	
ALL FIRMS	ALL FIRMS	ALL FIRMS	PROFIT LEADERS
X	X	X	X
X	X	X	X
100.00%	100.00%	100.00%	100.00%
49.47	43.74	48.34	38.08
20.62	20.94	20.13	18.48
70.09	64.68	68.47	56.56
29.91	35.32	31.53	43.44
13.39	14.72	11.32	9.76
9.19	10.39	11.63	12.16
22.58	25.11	22.95	21.92
7.33	10.21	8.58	21.52
4.05	5.14	1.96	2.01
3.28	5.07	6.62	19.51
1.85	0.91	2.39	1.77
5.13	5.98	9.01	21.28

SUPPORTING SCHEDULES - VALUE ADDED = 100%

	ALL FIRMS REPORTING	
	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL		
Salaries - executive	3.41%	3.57%
Direct wages	31.42	23.72
General factory salaries and wages	3.77	2.17
Packing, shipping and delivery wages	1.35	0.99
Payroll taxes	3.29	2.27
Employee benefits	3.86	2.77
TOTAL FACTORY PAYROLL	47.10	35.49
FACTORY EXPENSES		
Fixed Expenses		
Depreciation - real estate	0.37	0.50
Depreciation - other	4.61	6.67
Taxes - real estate	0.47	0.46
Taxes - other	0.36	0.02
Insurance	0.51	0.22
Building rent	1.10	0.11
Utilities - heat, light, etc.	2.07	2.75
Equipment rental	0.65	0.41
Total Fixed Expenses	10.14	11.14
Other Expenses		
Factory supplies and expense	4.20	4.28
Packing, shipping and delivery expense	1.80	1.35
Repairs and maintenance	3.09	3.08
Other factory expenses	1.65	0.52
Total Other Expenses	10.74	9.23
TOTAL FACTORY EXPENSES	20.88	20.37
ADMINISTRATIVE EXPENSES		
Salaries - executive	3.01	3.52
Salaries - office	3.26	1.85
Payroll taxes	0.54	0.44
Employee benefits	0.76	0.42
Bad debts	0.98	0.98
Office supplies and expenses	0.84	0.42
Professional fees	0.85	0.82
Taxes - business	0.38	0.14
Telephone	0.66	0.95
Other administrative expenses	2.25	1.18
TOTAL ADMINISTRATIVE EXPENSES	13.53	10.72
SELLING EXPENSES		
Salaries - executive	1.12	1.63
Salaries and commissions - salesmen	4.96	6.36
Salaries - sales office clerical	1.37	1.15
Payroll taxes	0.42	0.62
Employee benefits	0.40	0.36
Advertising	0.29	0.08
Travel and entertainment	0.97	2.07
Other selling expenses	1.04	0.27
TOTAL SELLING EXPENSES	10.57	12.54

** Sample insufficient for Profit Leaders.

SALES FROM $1,500,000-$5,000,000**	SALES FROM $5,000,000-$10,000,000**	SALES OVER $10,000,000	
ALL FIRMS	ALL FIRMS	ALL FIRMS	PROFIT LEADERS
3.24%	3.26%	4.26%	3.08%
34.72	30.35	27.98	24.51
3.54	2.89	5.36	2.83
1.63	1.41	1.21	1.04
3.21	2.71	3.77	2.51
3.13	3.12	5.76	4.11
49.47	43.74	48.34	38.08
0.17	0.44	0.52	0.40
4.35	4.79	3.52	4.92
0.57	0.43	0.41	0.50
0.19	0.25	0.46	0.03
0.54	0.49	0.21	0.08
1.96	1.07	0.15	0.17
1.81	1.67	2.58	3.14
0.86	0.06	1.08	0.61
10.45	9.20	8.93	9.85
3.45	3.91	5.79	4.43
2.04	2.11	1.09	0.61
3.03	3.17	3.31	2.80
1.65	2.55	1.01	0.79
10.17	11.74	11.20	8.63
20.62	20.94	20.13	18.48
3.12	2.91	2.30	3.90
3.26	3.14	3.09	1.99
0.48	0.58	0.41	0.27
0.52	0.99	0.80	0.59
0.89	1.96	0.33	0.37
1.36	0.70	0.44	0.33
0.86	0.86	0.90	0.65
0.21	0.32	0.63	0.00
0.62	0.73	0.45	0.56
2.07	2.53	1.97	1.10
13.39	14.72	11.32	9.76
1.07	0.97	1.34	1.96
4.64	5.42	4.48	5.36
1.45	1.29	1.60	1.18
0.36	0.31	0.49	0.54
0.21	0.31	0.69	0.49
0.14	0.32	0.19	0.04
0.66	1.01	1.10	2.24
0.66	0.76	1.74	0.35
9.19	10.39	11.63	12.16

REPORT ON OPERATIONS - SALES = 100%

	ALL FIRMS REPORTING	
	ALL FIRMS	PROFIT LEADERS*
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%
FACTORY COST OF PRODUCT		
MATERIALS		
Paper	27.64	23.33
Other chargeable materials	5.97	7.22
Outside services	7.75	11.97
TOTAL MATERIALS	41.36	42.52
FACTORY PAYROLL	27.71	20.44
FACTORY EXPENSES	12.20	11.66
TOTAL FACTORY COST OF PRODUCT	81.27	74.62
GROSS PROFIT	18.73	25.38
ADMINISTRATIVE AND SELLING EXPENSES		
Administrative expenses	7.88	6.17
Selling expenses	6.20	7.24
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	14.08	13.41
INCOME BEFORE INTEREST EXPENSE	4.65	11.97
Interest expense	2.20	1.01
OPERATING INCOME	2.45	10.96
Other income	1.04	1.11
INCOME BEFORE INCOME TAXES	3.49	12.07

SUPPORTING SCHEDULES - SALES = 100%

OTHER CHARGEABLE MATERIALS		
Ink	1.31%	4.57%
Film	1.21	0.78
Plates	1.15	1.24
Other chargeable materials	2.30	0.63
TOTAL OTHER CHARGEABLE MATERIALS	5.97	7.22
OUTSIDE SERVICES		
Composition	0.65	0.00
Offset preparation	1.54	0.00
Printing	0.54	0.00
Binding	2.73	0.00
Other outside services	2.29	11.97
TOTAL OUTSIDE SERVICES	7.75	11.97

* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.
** Sample insufficient for Profit Leaders.

SALES FROM $1,500,000-$5,000,000**	SALES FROM $5,000,000-$10,000,000**	SALES OVER $10,000,000	
ALL FIRMS	ALL FIRMS	ALL FIRMS	PROFIT LEADERS
100.00%	100.00%	100.00%	100.00%
25.22	32.75	25.78	20.86
6.23	4.54	6.99	8.00
8.91	7.34	6.46	13.84
40.36	44.63	39.23	42.70
29.49	24.42	29.31	21.90
12.26	11.69	12.08	10.50
82.11	80.74	80.62	75.10
17.89	19.26	19.38	24.90
8.06	8.01	6.86	5.60
5.35	5.63	7.32	7.00
13.41	13.64	14.18	12.60
4.48	5.62	5.20	12.30
2.39	2.69	1.17	1.13
2.09	2.93	4.03	11.17
1.09	0.66	1.35	0.99
3.18	3.59	5.38	12.16
1.14%	1.08%	1.75%	5.06%
1.02	1.01	1.59	0.87
1.10	1.01	1.38	1.37
2.97	1.44	2.27	0.70
6.23	4.54	6.99	8.00
1.49	0.47	0.28	0.00
3.17	0.49	0.72	0.00
0.93	0.43	0.33	0.00
1.48	4.68	1.47	0.00
1.84	1.27	3.66	13.84
8.91	7.34	6.46	13.84

SUPPORTING SCHEDULES - SALES = 100%

	ALL FIRMS REPORTING	
	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL		
Salaries - executive	2.03%	2.07%
Direct wages	18.38	13.66
General factory salaries and wages	2.28	1.26
Packing, shipping and delivery wages	0.80	0.56
Payroll taxes	1.94	1.32
Employee benefits	2.28	1.57
TOTAL FACTORY PAYROLL	27.71	20.44
FACTORY EXPENSES		
Fixed Expenses		
Depreciation - real estate	0.22	0.28
Depreciation - other	2.63	3.80
Taxes - real estate	0.27	0.25
Taxes - other	0.20	0.01
Insurance	0.29	0.13
Building rent	0.61	0.07
Utilities - heat, light, etc.	1.21	1.56
Equipment rental	0.39	0.22
Total Fixed Expenses	5.82	6.32
Other Expenses		
Factory supplies and expense	2.55	2.52
Packing, shipping and delivery expense	1.05	0.76
Repairs and maintenance	1.79	1.75
Other factory expenses	0.99	0.31
Total Other Expenses	6.38	5.34
TOTAL FACTORY EXPENSES	12.20	11.66
ADMINISTRATIVE EXPENSES		
Salaries - executive	1.78	2.06
Salaries - office	1.89	1.03
Payroll taxes	0.32	0.25
Employee benefits	0.45	0.24
Bad debts	0.51	0.57
Office supplies and expenses	0.50	0.24
Professional fees	0.48	0.47
Taxes - business	0.22	0.08
Telephone	0.39	0.54
Other administrative expenses	1.34	0.69
TOTAL ADMINISTRATIVE EXPENSES	7.88	6.17
SELLING EXPENSES		
Salaries - executive	0.66	0.91
Salaries and commissions - salesmen	2.91	3.68
Salaries - sales office clerical	0.79	0.69
Payroll taxes	0.25	0.35
Employee benefits	0.23	0.21
Advertising	0.17	0.05
Travel and entertainment	0.56	1.19
Other selling expenses	0.63	0.16
TOTAL SELLING EXPENSES	6.20	7.24

** Sample insufficient for Profit Leaders.

SALES FROM $1,500,000-$5,000,000**	SALES FROM $5,000,000-$10,000,000**	SALES OVER $10,000,000	
ALL FIRMS	ALL FIRMS	ALL FIRMS	PROFIT LEADERS
1.95%	1.78%	2.67%	1.80%
20.66	16.89	16.84	14.08
2.08	1.74	3.33	1.65
0.96	0.82	0.73	0.58
1.90	1.49	2.31	1.46
1.94	1.70	3.43	2.33
29.49	24.42	29.31	21.90
0.11	0.25	0.31	0.22
2.55	2.60	2.08	2.75
0.34	0.23	0.24	0.27
0.11	0.12	0.27	0.02
0.32	0.23	0.12	0.05
1.13	0.54	0.09	0.10
1.08	0.92	1.52	1.77
0.51	0.03	0.64	0.33
6.15	4.92	5.27	5.51
2.11	2.27	3.60	2.62
1.22	1.19	0.66	0.33
1.79	1.77	1.94	1.57
0.99	1.54	0.61	0.47
6.11	6.77	6.81	4.99
12.26	11.69	12.08	10.50
1.89	1.65	1.39	2.29
1.94	1.69	1.87	1.09
0.29	0.34	0.25	0.15
0.33	0.55	0.48	0.33
0.50	0.94	0.20	0.22
0.82	0.39	0.28	0.19
0.51	0.45	0.53	0.37
0.13	0.18	0.36	0.00
0.38	0.41	0.28	0.31
1.27	1.41	1.22	0.65
8.06	8.01	6.86	5.60
0.63	0.55	0.81	1.08
2.74	2.87	2.90	3.08
0.79	0.74	0.98	0.72
0.20	0.17	0.30	0.31
0.13	0.17	0.42	0.29
0.09	0.17	0.13	0.03
0.38	0.54	0.66	1.28
0.39	0.42	1.12	0.21
5.35	5.63	7.32	7.00

BALANCE SHEET

	ALL FIRMS REPORTING	
	ALL FIRMS	PROFIT LEADERS
ASSETS		
CURRENT ASSETS		
Cash	3.11%	1.51%
Receivables	32.89	36.02
Inventories	18.45	21.33
Other current assets	4.16	4.81
TOTAL CURRENT ASSETS	58.61	63.67
FIXED ASSETS		
Real estate	15.37	10.39
Less: Accumulated depreciation	4.71	3.03
	10.66	7.36
Machinery and equipment	57.10	47.47
Less: Accumulated depreciation	31.95	23.72
	25.15	23.75
Other fixed assets	4.90	9.36
Less: Accumulated depreciation	3.00	4.72
	1.90	4.64
NET FIXED ASSETS	37.71	35.75
OTHER ASSETS	3.68	0.58
TOTAL ASSETS	100.00	100.00
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Notes payable	11.31	4.11
Accounts payable	14.22	15.69
Other current liabilities	10.97	13.35
TOTAL CURRENT LIABILITIES	36.50	33.15
LONG-TERM LIABILITIES	28.95	17.69
TOTAL LIABILITIES	65.45	50.84
SHAREHOLDERS' AND PROPRIETORS' EQUITY	34.55	49.16
TOTAL LIABILITIES AND EQUITY	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	1.61	1.92
QUICK RATIO	1.10	1.28
TOTAL LIABILITIES TO EQUITY	1.89	1.03
LONG-TERM LIABILITIES TO EQUITY	0.84	0.36
ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.56	0.50

** Sample insufficient for Profit Leaders.

SALES FROM $1,500,000-$5,000,000**	SALES FROM $5,000,000-$10,000,000**	SALES OVER $10,000,000	
ALL FIRMS	ALL FIRMS	ALL FIRMS	PROFIT LEADERS
4.99%	0.54%	3.79%	3.65%
34.42	35.89	33.39	35.70
18.72	19.81	17.13	19.75
4.33	1.86	6.78	5.80
62.46	58.10	61.09	64.90
12.73	10.88	21.61	8.73
4.08	3.53	7.02	3.10
8.65	7.35	14.59	5.63
66.76	53.18	47.34	41.03
42.56	24.15	28.13	17.67
24.20	29.03	19.21	23.36
5.24	5.85	3.19	9.90
3.74	3.20	1.71	4.57
1.50	2.65	1.48	5.33
34.35	39.03	35.28	34.32
3.19	2.87	3.63	0.78
100.00	100.00	100.00	100.00
9.36	20.06	3.82	0.48
16.69	16.44	9.59	16.63
10.90	8.04	15.18	18.57
36.95	44.54	28.59	35.68
32.08	29.35	22.62	16.00
69.03	73.89	51.21	51.68
30.97	26.11	48.79	48.32
100.00	100.00	100.00	100.00
1.69	1.30	2.14	1.82
1.18	0.86	1.54	1.27
2.23	2.83	1.05	1.07
1.04	1.12	0.46	0.33
0.64	0.45	0.59	0.43

SIGNIFICANT FACTS

	ALL FIRMS REPORTING	
	ALL FIRMS	PROFIT LEADERS
INVESTMENT		
Average assets per employee - All employees	$ 36,474	$ 57,451
Average assets per factory employee (Excluding Executives)	48,678	75,133
Average net worth per employee - All employees	12,752	28,766
Average gross plant investment per factory employee (Excluding Executives)	36,053	53,236
Net worth percentage of fixed assets	121.99%	145.34%
EMPLOYEES		
Percent factory - All employees	80.53%	81.10%
Percent administrative - All employees	10.09	8.65
Percent sales - All employees	9.38	10.25
SALES - VALUE OF PRODUCT PRODUCED INCLUDING EXECUTIVES		
Sales per employee - All employees	$ 65,673	$ 92,258
Sales per factory employee	82,808	112,889
Sales less material per factory employee	47,175	64,778
Sales per administrative employee	723,162	1,326,870
EXCLUDING EXECUTIVES		
Sales per employee - All employees	71,166	101,044
Sales per factory employee	87,489	120,538
Sales less material per factory employee	49,820	69,249
SALES PER SALESMAN	1,186,799	1,282,883
SALES TO CURRENT ASSETS	346%	260%
PAYROLL - INCLUDING TAXES AND BENEFITS INCLUDING EXECUTIVES		
Total payroll percentage of sales	37.00%	29.85%
Factory payroll percentage of gross plant investment	78.60	73.22
Payroll per employee - All employees	$ 23,385	$ 27,915
Payroll per factory employee	21,698	23,500
Payroll per administrative employee	29,850	49,804
Payroll per sales employee	34,029	65,436
PAYROLL - EXCLUDING TAXES AND BENEFITS EXCLUDING EXECUTIVES		
Payroll per employee - All employees	$ 18,436	$ 21,198
Payroll per factory employee	17,664	18,952
Payroll per administrative employee	16,071	16,486
Payroll per sales employee	28,022	50,425
EXECUTIVE PAYROLL		
Payroll per executive - All executives	39,202	54,253
Payroll per factory executive	30,979	35,988
Payroll per administrative executive	48,237	80,656
Payroll per sales executive	38,355	99,087
RECEIVABLES		
Collection period	65.9	84.8
PROFIT		
Gross profit percentage of sales	18.73%	25.38%
Average gross profit per factory employee	$ 16,633	$ 30,440
Income before taxes percentage of sales	3.49%	12.07%
Average income before taxes per employee	$ 2,483	$ 11,161

** Sample insufficient for Profit Leaders.

SALES FROM $1,500,000-$5,000,000**	SALES FROM $5,000,000-$10,000,000**	SALES OVER $10,000,000	
ALL FIRMS	ALL FIRMS	ALL FIRMS	PROFIT LEADERS
$ 29,186	$ 39,714	$ 39,676	$ 60,891
38,380	54,415	50,890	77,564
8,705	10,411	19,961	30,293
30,683	36,619	35,578	50,924
152.24%	73.97%	150.53%	152.17%
80.40%	79.88%	83.53%	83.33%
10.02	10.72	8.36	8.30
9.58	9.40	8.11	8.37
$ 55,574	$ 74,857	$ 70,716	$ 107,201
70,544	95,725	84,952	128,642
41,418	50,686	50,590	73,638
570,945	736,397	953,924	1,656,627
60,171	81,012	76,665	117,167
74,014	101,383	90,659	137,472
43,436	53,529	54,077	78,817
856,406	1,186,787	1,553,722	1,592,271
355%	347%	310%	290%
38.43%	33.15%	38.72%	31.25%
87.83	72.79	83.34	96.71
$ 21,139	$ 24,072	$ 26,177	$ 33,434
20,344	22,030	23,650	28,117
24,150	30,882	36,385	64,656
22,598	35,798	47,977	83,642
$ 17,447	$ 19,250	$ 19,452	$ 24,855
17,213	18,261	18,032	22,450
14,409	15,871	18,592	19,633
20,790	30,907	35,916	62,608
31,044	43,931	45,753	65,381
29,855	29,308	36,993	36,433
35,639	55,045	59,271	107,581
13,914	32,567	74,889	130,000
64.3	74.2	67.7	67.6
17.89%	19.26%	19.38%	24.90%
$ 13,208	$ 19,155	$ 18,101	$ 34,251
3.18%	3.59%	5.38%	12.16%
$ 1,550	$ 2,334	$ 4,396	$ 13,032

RETURN ON INVESTMENT - PER $100 OF SALES

	ALL FIRMS REPORTING	
	ALL FIRMS	PROFIT LEADERS
INVESTMENT		
Current Assets:		
Cash	$ 1.79	$ 0.73
Receivables	16.91	21.86
Inventories	9.83	13.67
Marketable securities	1.72	2.70
Other current assets	0.97	0.83
	31.22	39.79
Plant Investment:		
Land and building	9.66	7.69
Machinery and equipment	31.42	32.80
Other fixed assets	2.56	6.56
	43.64	47.05
Non-Current Assets	2.23	0.41
TOTAL INVESTMENT	77.09	87.25
INVESTMENT TURNOVER PER $100 OF SALES	129.72%	114.61%
EARNINGS		
Cost of Product	$81.27	$74.62
Selling Expenses	6.20	7.24
Administrative Expenses	7.88	6.17
	95.35	88.03
Income Before Interest, Other Income, and Taxes	4.65	11.97
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME	6.03%	13.72%

** Sample insufficient for Profit Leaders.

SALES FROM $1,500,000-$5,000,000**	SALES FROM $5,000,000-$10,000,000**	SALES OVER $10,000,000	
ALL FIRMS	ALL FIRMS	ALL FIRMS	PROFIT LEADERS
$ 2.94	$ 0.19	$ 2.15	$ 2.22
16.60	18.64	17.59	17.93
9.47	10.38	9.05	10.57
2.49	0.00	2.76	4.05
0.68	0.98	1.41	0.10
32.18	30.19	32.96	34.87
7.52	5.99	12.30	5.98
32.82	27.76	25.60	24.73
2.21	3.03	1.96	6.49
42.55	36.78	39.86	37.20
1.97	1.37	2.41	0.54
76.70	68.34	75.23	72.61
130.38%	146.33%	132.93%	137.72%
$82.11	$80.74	$80.62	$75.10
5.35	5.63	7.32	7.00
8.06	8.01	6.86	5.60
95.52	94.38	94.80	87.70
4.48	5.62	5.20	12.30
5.84%	8.22%	6.91%	16.94%

REPORT ON OPERATIONS - VALUE ADDED = 100%

	SHEET-FED OFFSET**
	ALL FIRMS
SALES OR VALUE OF PRODUCT PRODUCED	X
LESS: PAPER, OTHER CHARGEABLE MATERIALS AND OUTSIDE SERVICES	X
VALUE ADDED BY MANUFACTURE	100.00%
FACTORY PAYROLL	48.26
FACTORY EXPENSES	20.27
TOTAL FACTORY COST OF PRODUCT	68.53
GROSS PROFIT	31.47
ADMINISTRATIVE AND SELLING EXPENSES	
Administrative expenses	13.62
Selling expenses	10.78
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	24.40
INCOME BEFORE INTEREST EXPENSE	7.07
Interest expense	3.87
OPERATING INCOME	3.20
Other income	1.47
INCOME BEFORE INCOME TAXES	4.67

** Sample insufficient for Profit Leaders.

WEB-FED OFFSET**	COMBINATION OFFSET	
ALL FIRMS	ALL FIRMS	PROFIT LEADERS
X	X	X
X	X	X
100.00%	100.00%	100.00%
40.94	46.54	33.10
20.90	22.06	22.55
61.84	68.60	55.65
38.16	31.40	44.35
14.91	13.01	11.06
9.89	10.34	12.19
24.80	23.35	23.25
13.36	8.05	21.10
4.62	3.74	2.04
8.74	4.31	19.06
2.08	2.16	2.37
10.82	6.47	21.43

SUPPORTING SCHEDULES - VALUE ADDED = 100%

	SHEET-FED OFFSET**
	ALL FIRMS
FACTORY PAYROLL	
Salaries - executive	3.75%
Direct wages	32.27
General factory salaries and wages	4.04
Packing, shipping and delivery wages	1.24
Payroll taxes	3.53
Employee benefits	3.43
TOTAL FACTORY PAYROLL	48.26
FACTORY EXPENSES	
Fixed Expenses	
Depreciation - real estate	0.34
Depreciation - other	4.08
Taxes - real estate	0.44
Taxes - other	0.37
Insurance	0.53
Building rent	1.14
Utilities - heat, light, etc.	1.93
Equipment rental	0.56
Total Fixed Expenses	9.39
Other Expenses	
Factory supplies and expense	4.48
Packing, shipping and delivery expense	1.95
Repairs and maintenance	2.60
Other factory expenses	1.85
Total Other Expenses	10.88
TOTAL FACTORY EXPENSES	20.27
ADMINISTRATIVE EXPENSES	
Salaries - executive	3.42
Salaries - office	3.29
Payroll taxes	0.63
Employee benefits	0.56
Bad debts	0.73
Office supplies and expenses	1.02
Professional fees	0.77
Taxes - business	0.32
Telephone	0.71
Other administrative expenses	2.17
TOTAL ADMINISTRATIVE EXPENSES	13.62
SELLING EXPENSES	
Salaries - executive	1.09
Salaries and commissions - salesmen	5.14
Salaries - sales office clerical	1.48
Payroll taxes	0.44
Employee benefits	0.29
Advertising	0.36
Travel and entertainment	0.82
Other selling expenses	1.16
TOTAL SELLING EXPENSES	10.78

** Sample insufficient for Profit Leaders.

WEB-FED OFFSET**	COMBINATION OFFSET	
ALL FIRMS	ALL FIRMS	PROFIT LEADERS
1.55%	3.27%	3.39%
26.24	31.17	22.78
5.19	2.85	1.48
1.72	1.47	1.14
2.55	3.04	1.84
3.69	4.74	2.47
40.94	46.54	33.10
0.43	0.42	0.69
3.47	5.93	8.60
0.80	0.42	0.59
0.73	0.22	0.00
0.24	0.55	0.29
1.69	0.87	0.00
2.14	2.33	2.89
1.98	0.47	0.53
11.48	11.21	13.59
4.85	3.50	3.07
1.24	1.66	1.98
2.58	4.18	3.77
0.75	1.51	0.14
9.42	10.85	8.96
20.90	22.06	22.55
2.37	2.40	2.77
2.31	3.47	2.45
0.33	0.42	0.52
1.27	1.00	0.38
1.25	1.39	1.10
0.58	0.58	0.45
0.96	0.98	0.97
0.50	0.46	0.20
0.47	0.61	1.24
4.87	1.70	0.98
14.91	13.01	11.06
1.55	1.06	1.99
3.60	4.99	6.49
1.41	1.14	0.55
0.31	0.42	0.69
0.72	0.52	0.16
0.20	0.18	0.08
0.91	1.28	2.09
1.19	0.75	0.14
9.89	10.34	12.19

REPORT ON OPERATIONS - SALES = 100%

	SHEET-FED OFFSET**
	ALL FIRMS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%
FACTORY COST OF PRODUCT	
MATERIALS	
Paper	24.76
Other chargeable materials	6.29
Outside services	7.74
TOTAL MATERIALS	38.79
FACTORY PAYROLL	29.52
FACTORY EXPENSES	12.39
TOTAL FACTORY COST OF PRODUCT	80.70
GROSS PROFIT	19.30
ADMINISTRATIVE AND SELLING EXPENSES	
Administrative expenses	8.32
Selling expenses	6.60
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	14.92
INCOME BEFORE INTEREST EXPENSE	4.38
Interest expense	2.29
OPERATING INCOME	2.09
Other income	0.87
INCOME BEFORE INCOME TAXES	2.96

SUPPORTING SCHEDULES - SALES = 100%

OTHER CHARGEABLE MATERIALS	
Ink	1.12%
Film	1.30
Plates	1.01
Other chargeable materials	2.86
TOTAL OTHER CHARGEABLE MATERIALS	6.29
OUTSIDE SERVICES	
Composition	0.80
Offset preparation	2.35
Printing	0.68
Binding	2.30
Other outside services	1.61
TOTAL OUTSIDE SERVICES	7.74

** Sample insufficient for Profit Leaders.

WEB-FED OFFSET**	COMBINATION OFFSET	
ALL FIRMS	ALL FIRMS	PROFIT LEADERS
100.00%	100.00%	100.00%
33.29	31.53	26.70
5.29	5.55	6.91
6.41	8.15	10.67
44.99	45.23	44.28
22.42	25.72	18.38
11.49	12.04	12.60
78.90	82.99	75.26
21.10	17.01	24.74
8.29	6.96	6.20
5.41	5.64	6.82
13.70	12.60	13.02
7.40	4.41	11.72
2.56	1.92	1.12
4.84	2.49	10.60
1.14	1.32	1.32
5.98	3.81	11.92
1.59%	1.62%	5.26%
0.60	1.27	0.76
1.13	1.47	0.89
1.97	1.19	0.00
5.29	5.55	6.91
0.22	0.57	0.00
1.93	0.22	0.00
0.44	0.36	0.00
0.81	4.00	0.00
3.01	3.00	10.67
6.41	8.15	10.67

SUPPORTING SCHEDULES - SALES = 100%

	SHEET-FED OFFSET**
	ALL FIRMS
FACTORY PAYROLL	
Salaries - executive	2.34%
Direct wages	19.56
General factory salaries and wages	2.56
Packing, shipping and delivery wages	0.76
Payroll taxes	2.15
Employee benefits	2.15
TOTAL FACTORY PAYROLL	29.52
FACTORY EXPENSES	
Fixed Expenses	
Depreciation - real estate	0.21
Depreciation - other	2.43
Taxes - real estate	0.27
Taxes - other	0.23
Insurance	0.32
Building rent	0.67
Utilities - heat, light, etc.	1.18
Equipment rental	0.34
Total Fixed Expenses	5.65
Other Expenses	
Factory supplies and expense	2.81
Packing, shipping and delivery expense	1.20
Repairs and maintenance	1.57
Other factory expenses	1.16
Total Other Expenses	6.74
TOTAL FACTORY EXPENSES	12.39
ADMINISTRATIVE EXPENSES	
Salaries - executive	2.11
Salaries - office	2.00
Payroll taxes	0.39
Employee benefits	0.35
Bad debts	0.42
Office supplies and expenses	0.62
Professional fees	0.46
Taxes - business	0.20
Telephone	0.43
Other administrative expenses	1.34
TOTAL ADMINISTRATIVE EXPENSES	8.32
SELLING EXPENSES	
Salaries - executive	0.67
Salaries and commissions - salesmen	3.17
Salaries - sales office clerical	0.86
Payroll taxes	0.26
Employee benefits	0.19
Advertising	0.22
Travel and entertainment	0.49
Other selling expenses	0.74
TOTAL SELLING EXPENSES	6.60

** Sample insufficient for Profit Leaders.

WEB-FED OFFSET**	COMBINATION OFFSET	
ALL FIRMS	ALL FIRMS	PROFIT LEADERS
0.85%	1.77%	1.91%
14.35	17.23	12.67
2.84	1.60	0.81
0.96	0.83	0.63
1.43	1.67	1.03
1.99	2.62	1.33
22.42	25.72	18.38
0.24	0.24	0.38
1.83	3.22	4.84
0.42	0.24	0.32
0.40	0.10	0.00
0.13	0.27	0.17
0.92	0.43	0.00
1.18	1.26	1.59
1.13	0.27	0.28
6.25	6.03	7.58
2.70	2.00	1.73
0.71	0.86	1.12
1.42	2.32	2.10
0.41	0.83	0.07
5.24	6.01	5.02
11.49	12.04	12.60
1.32	1.30	1.53
1.26	1.86	1.35
0.18	0.23	0.30
0.71	0.56	0.21
0.70	0.64	0.63
0.32	0.32	0.25
0.52	0.52	0.55
0.28	0.25	0.12
0.26	0.34	0.70
2.74	0.94	0.56
8.29	6.96	6.20
0.85	0.58	1.09
2.00	2.67	3.64
0.75	0.67	0.32
0.17	0.23	0.39
0.38	0.29	0.09
0.11	0.09	0.05
0.50	0.69	1.16
0.65	0.42	0.08
5.41	5.64	6.82

BALANCE SHEET

	SHEET-FED OFFSET**
	ALL FIRMS
ASSETS	
CURRENT ASSETS	
Cash	4.08%
Receivables	32.33
Inventories	18.73
Other current assets	3.92
TOTAL CURRENT ASSETS	59.06
FIXED ASSETS	
Real estate	16.60
Less: Accumulated depreciation	4.60
	12.00
Machinery and equipment	56.72
Less: Accumulated depreciation	33.00
	23.72
Other fixed assets	4.52
Less: Accumulated depreciation	2.90
	1.62
NET FIXED ASSETS	37.34
OTHER ASSETS	3.60
TOTAL ASSETS	100.00
LIABILITIES AND EQUITY	
CURRENT LIABILITIES	
Notes payable	11.83
Accounts payable	13.19
Other current liabilities	10.69
TOTAL CURRENT LIABILITIES	35.71
LONG-TERM LIABILITIES	30.60
TOTAL LIABILITIES	66.31
SHAREHOLDERS' AND PROPRIETORS' EQUITY	33.69
TOTAL LIABILITIES AND EQUITY	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	1.65
QUICK RATIO	1.13
TOTAL LIABILITIES TO EQUITY	1.97
LONG-TERM LIABILITIES TO EQUITY	0.91
ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.58

** Sample insufficient for Profit Leaders.

WEB-FED OFFSET**	COMBINATION OFFSET	
ALL FIRMS	ALL FIRMS	PROFIT LEADERS
2.37%	1.45%	0.93%
31.03	34.52	28.91
15.26	18.77	20.21
3.65	4.73	7.11
52.31	59.47	57.16
12.58	13.79	14.59
1.08	5.90	4.21
11.50	7.89	10.38
39.01	62.76	55.66
13.77	34.92	29.39
25.24	27.84	26.27
6.46	5.19	11.98
3.26	3.11	6.59
3.20	2.08	5.39
39.94	37.81	42.04
7.75	2.72	0.80
100.00	100.00	100.00
12.92	9.88	6.06
16.85	15.46	15.18
11.96	11.25	9.06
41.73	36.59	30.30
31.52	25.10	17.65
73.25	61.69	47.95
26.75	38.31	52.05
100.00	100.00	100.00
1.25	1.63	1.89
0.89	1.11	1.22
2.74	1.61	0.92
1.18	0.66	0.34
0.35	0.56	0.53

SIGNIFICANT FACTS

	SHEET-FED OFFSET**
	ALL FIRMS
INVESTMENT	
Average assets per employee - All employees	$ 31,796
Average assets per factory employee (Excluding Executives)	42,763
Average net worth per employee - All employees	10,499
Average gross plant investment per factory employee (Excluding Executives)	31,877
Net worth percentage of fixed assets	135.66%
EMPLOYEES	
Percent factory - All employees	80.21%
Percent administrative - All employees	10.05
Percent sales - All employees	9.74
SALES - VALUE OF PRODUCT PRODUCED INCLUDING EXECUTIVES	
Sales per employee - All employees	$ 57,159
Sales per factory employee	72,515
Sales less material per factory employee	43,586
Sales per administrative employee	650,842
EXCLUDING EXECUTIVES	
Sales per employee - All employees	62,498
Sales per factory employee	76,793
Sales less material per factory employee	46,168
SALES PER SALESMAN	1,087,773
SALES TO CURRENT ASSETS	355%
PAYROLL - INCLUDING TAXES AND BENEFITS INCLUDING EXECUTIVES	
Total payroll percentage of sales	39.52%
Factory payroll percentage of gross plant investment	86.21
Payroll per employee - All employees	$ 21,964
Payroll per factory employee	20,489
Payroll per administrative employee	28,857
Payroll per sales employee	27,491
PAYROLL - EXCLUDING TAXES AND BENEFITS EXCLUDING EXECUTIVES	
Payroll per employee - All employees	$ 17,552
Payroll per factory employee	16,819
Payroll per administrative employee	15,458
Payroll per sales employee	23,961
EXECUTIVE PAYROLL	
Payroll per executive - All executives	33,833
Payroll per factory executive	29,305
Payroll per administrative executive	45,317
Payroll per sales executive	26,410
RECEIVABLES	
Collection period	62.8
PROFIT	
Gross profit percentage of sales	19.30%
Average gross profit per factory employee	$ 15,216
Income before taxes percentage of sales	2.96%
Average income before taxes per employee	$ 1,916

** Sample insufficient for Profit Leaders.

WEB-FED OFFSET**	COMBINATION OFFSET	
ALL FIRMS	ALL FIRMS	PROFIT LEADERS
$ 43,649	$ 43,449	$ 64,553
54,908	58,271	84,282
12,500	17,106	33,770
32,836	44,904	69,282
63.63%	111.82%	124.40%
82.61%	80.57%	79.98%
8.54	10.60	10.80
8.85	8.83	9.22
$ 80,532	$ 77,876	$ 85,700
97,896	98,343	106,111
53,663	52,256	58,610
957,819	797,231	778,522
84,957	83,952	92,932
100,426	104,383	111,562
55,059	55,364	61,644
1,112,957	1,350,974	1,046,340
365%	325%	231%
30.03%	34.10%	27.31%
76.58	64.62	29.39
$ 24,241	$ 25,862	$ 23,457
21,925	23,943	19,720
33,404	30,775	26,799
40,746	44,678	70,618
$ 18,876	$ 20,005	$ 17,879
18,303	19,105	15,829
15,295	17,452	14,985
31,343	34,871	52,289
59,673	43,868	50,003
24,187	36,028	36,544
67,942	48,436	46,023
60,606	55,090	108,630
65.3	72.0	87.7
21.10%	17.01%	24.74%
$ 21,164	$ 18,101	$ 27,202
5.98%	3.81%	11.92%
$ 4,788	$ 2,936	$ 10,224

RETURN ON INVESTMENT - PER $100 OF SALES

	SHEET-FED OFFSET**
	ALL FIRMS
INVESTMENT	
Current Assets:	
Cash	$ 2.43
Receivables	16.15
Inventories	9.95
Marketable securities	1.60
Other current assets	1.10
	31.23
Plant Investment:	
Land and building	11.23
Machinery and equipment	31.11
Other fixed assets	2.21
	44.55
Non-Current Assets	2.38
TOTAL INVESTMENT	78.16
INVESTMENT TURNOVER PER $100 OF SALES	127.94%
EARNINGS	
Cost of Product	$80.70
Selling Expenses	6.60
Administrative Expenses	8.32
	95.62
Income Before Interest, Other Income, and Taxes	4.38
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME	5.60%

** Sample insufficient for Profit Leaders.

WEB-FED OFFSET**	COMBINATION OFFSET	
ALL FIRMS	ALL FIRMS	PROFIT LEADERS
$ 1.39	$ 0.67	$ 0.54
16.42	18.45	22.48
7.70	10.18	15.67
0.32	2.34	4.05
1.68	0.52	1.20
27.51	32.16	43.94
7.68	7.22	11.13
21.54	34.73	42.82
3.00	3.11	9.00
32.22	45.06	62.95
4.19	1.42	0.58
63.92	78.64	107.47
156.45%	127.16%	93.05%
$78.90	$82.99	$75.26
5.41	5.64	6.82
8.29	6.96	6.20
92.60	95.59	88.28
7.40	4.41	11.72
11.58%	5.61%	10.91%

REPORT ON OPERATIONS - VALUE ADDED = 100%

	PRINTING AND BINDING**	PRINTING ONLY	
	ALL FIRMS	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	X	X	X
LESS: PAPER, OTHER CHARGEABLE MATERIALS AND OUTSIDE SERVICES	X	X	X
VALUE ADDED BY MANUFACTURE	100.00%	100.00%	100.00%
FACTORY PAYROLL	47.14	46.86	38.08
FACTORY EXPENSES	21.28	18.49	18.48
TOTAL FACTORY COST OF PRODUCT	68.42	65.35	56.56
GROSS PROFIT	31.58	34.65	43.44
ADMINISTRATIVE AND SELLING EXPENSES			
Administrative expenses	13.74	12.33	9.76
Selling expenses	10.66	10.02	12.16
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	24.40	22.35	21.92
INCOME BEFORE INTEREST EXPENSE	7.18	12.30	21.52
Interest expense	3.90	3.84	2.01
OPERATING INCOME	3.28	8.46	19.51
Other income	2.01	0.12	1.77
INCOME BEFORE INCOME TAXES	5.29	8.58	21.28

** Sample insufficient for Profit Leaders.

SUPPORTING SCHEDULES - VALUE ADDED = 100%

	PRINTING AND BINDING**	PRINTING ONLY	
	ALL FIRMS	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL			
Salaries - executive	3.29%	4.15%	3.08%
Direct wages	31.42	31.40	24.51
General factory salaries and wages	3.74	3.97	2.83
Packing, shipping and delivery wages	1.40	1.03	1.04
Payroll taxes	3.28	3.33	2.51
Employee benefits	4.01	2.98	4.11
TOTAL FACTORY PAYROLL	47.14	46.86	38.08
FACTORY EXPENSES			
Fixed Expenses			
Depreciation - real estate	0.39	0.25	0.40
Depreciation - other	4.58	4.91	4.92
Taxes - real estate	0.50	0.25	0.50
Taxes - other	0.38	0.18	0.03
Insurance	0.48	0.70	0.08
Building rent	1.03	1.51	0.17
Utilities - heat, light, etc.	2.02	2.38	3.14
Equipment rental	0.72	0.24	0.61
Total Fixed Expenses	10.10	10.42	9.85
Other Expenses			
Factory supplies and expense	4.42	2.92	4.43
Packing, shipping and delivery expense	1.78	1.91	0.61
Repairs and maintenance	3.19	2.48	2.80
Other factory expenses	1.79	0.76	0.79
Total Other Expenses	11.18	8.07	8.63
TOTAL FACTORY EXPENSES	21.28	18.49	18.48
ADMINISTRATIVE EXPENSES			
Salaries - executive	2.98	3.19	3.90
Salaries - office	3.28	3.25	1.99
Payroll taxes	0.56	0.38	0.27
Employee benefits	0.82	0.38	0.59
Bad debts	0.77	2.25	0.37
Office supplies and expenses	0.90	0.48	0.33
Professional fees	0.86	0.75	0.65
Taxes - business	0.45	0.00	0.00
Telephone	0.69	0.45	0.56
Other administrative expenses	2.43	1.20	1.10
TOTAL ADMINISTRATIVE EXPENSES	13.74	12.33	9.76
SELLING EXPENSES			
Salaries - executive	1.17	0.78	1.96
Salaries and commissions - salesmen	4.97	4.94	5.36
Salaries - sales office clerical	1.30	1.81	1.18
Payroll taxes	0.41	0.50	0.54
Employee benefits	0.43	0.20	0.49
Advertising	0.31	0.17	0.04
Travel and entertainment	0.89	1.48	2.24
Other selling expenses	1.18	0.14	0.35
TOTAL SELLING EXPENSES	10.66	10.02	12.16

** Sample insufficient for Profit Leaders.

REPORT ON OPERATIONS - SALES = 100%

	PRINTING AND BINDING**	PRINTING ONLY	
	ALL FIRMS	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%	100.00%
FACTORY COST OF PRODUCT			
MATERIALS			
Paper	27.92	23.82	20.86
Other chargeable materials	6.10	5.22	8.00
Outside services	6.19	17.15	13.84
TOTAL MATERIALS	40.21	48.19	42.70
FACTORY PAYROLL	28.17	24.97	21.90
FACTORY EXPENSES	12.69	9.28	10.50
TOTAL FACTORY COST OF PRODUCT	81.07	82.44	75.10
GROSS PROFIT	18.93	17.56	24.90
ADMINISTRATIVE AND SELLING EXPENSES			
Administrative expenses	8.21	5.96	5.60
Selling expenses	6.40	4.99	7.00
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	14.61	10.95	12.60
INCOME BEFORE INTEREST EXPENSE	4.32	6.61	12.30
Interest expense	2.28	1.66	1.13
OPERATING INCOME	2.04	4.95	11.17
Other income	1.16	0.29	0.99
INCOME BEFORE INCOME TAXES	3.20	5.24	12.16

SUPPORTING SCHEDULES - SALES = 100%

OTHER CHARGEABLE MATERIALS			
Ink	0.95%	2.79%	5.06%
Film	1.28	0.88	0.87
Plates	1.16	1.04	1.37
Other chargeable materials	2.71	0.51	0.70
TOTAL OTHER CHARGEABLE MATERIALS	6.10	5.22	8.00
OUTSIDE SERVICES			
Composition	0.46	1.73	0.00
Offset preparation	0.99	4.48	0.00
Printing	0.57	0.52	0.00
Binding	2.24	5.83	0.00
Other outside services	1.93	4.59	13.84
TOTAL OUTSIDE SERVICES	6.19	17.15	13.84

** Sample insufficient for Profit Leaders.

SUPPORTING SCHEDULES - SALES = 100%

	PRINTING AND BINDING**	PRINTING ONLY	
	ALL FIRMS	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL			
Salaries - executive	2.01%	2.15%	1.80%
Direct wages	18.68	16.65	14.08
General factory salaries and wages	2.30	2.16	1.65
Packing, shipping and delivery wages	0.84	0.54	0.58
Payroll taxes	1.97	1.73	1.46
Employee benefits	2.37	1.74	2.33
TOTAL FACTORY PAYROLL	28.17	24.97	21.90
FACTORY EXPENSES			
Fixed Expenses			
Depreciation - real estate	0.23	0.14	0.22
Depreciation - other	2.67	2.44	2.75
Taxes - real estate	0.29	0.13	0.27
Taxes - other	0.22	0.07	0.02
Insurance	0.29	0.29	0.05
Building rent	0.61	0.66	0.10
Utilities - heat, light, etc.	1.20	1.23	1.77
Equipment rental	0.43	0.13	0.33
Total Fixed Expenses	5.94	5.09	5.51
Other Expenses			
Factory supplies and expense	2.69	1.66	2.62
Packing, shipping and delivery expense	1.09	0.84	0.33
Repairs and maintenance	1.88	1.28	1.57
Other factory expenses	1.09	0.41	0.47
Total Other Expenses	6.75	4.19	4.99
TOTAL FACTORY EXPENSES	12.69	9.28	10.50
ADMINISTRATIVE EXPENSES			
Salaries - executive	1.80	1.72	2.29
Salaries - office	1.95	1.52	1.09
Payroll taxes	0.34	0.18	0.15
Employee benefits	0.48	0.22	0.33
Bad debts	0.45	0.91	0.22
Office supplies and expenses	0.54	0.24	0.19
Professional fees	0.51	0.34	0.37
Taxes - business	0.26	0.00	0.00
Telephone	0.42	0.22	0.31
Other administrative expenses	1.46	0.61	0.65
TOTAL ADMINISTRATIVE EXPENSES	8.21	5.96	5.60
SELLING EXPENSES			
Salaries - executive	0.70	0.43	1.08
Salaries and commissions - salesmen	3.00	2.40	3.08
Salaries - sales office clerical	0.77	0.90	0.72
Payroll taxes	0.25	0.25	0.31
Employee benefits	0.25	0.12	0.29
Advertising	0.19	0.07	0.03
Travel and entertainment	0.52	0.74	1.28
Other selling expenses	0.72	0.08	0.21
TOTAL SELLING EXPENSES	6.40	4.99	7.00

** Sample insufficient for Profit Leaders.

BALANCE SHEET

	PRINTING AND BINDING**	PRINTING ONLY	
	ALL FIRMS	ALL FIRMS	PROFIT LEADERS
ASSETS			
CURRENT ASSETS			
Cash	2.82%	4.84%	3.65%
Receivables	33.42	29.79	35.70
Inventories	18.31	19.25	19.75
Other current assets	3.08	10.61	5.80
TOTAL CURRENT ASSETS	57.63	64.49	64.90
FIXED ASSETS			
Real estate	17.02	5.49	8.73
Less: Accumulated depreciation	5.09	2.44	3.10
	11.93	3.05	5.63
Machinery and equipment	57.28	56.04	41.03
Less: Accumulated depreciation	32.73	27.36	17.67
	24.55	28.68	23.36
Other fixed assets	5.00	4.27	9.90
Less: Accumulated depreciation	3.18	1.87	4.57
	1.82	2.40	5.33
NET FIXED ASSETS	38.30	34.13	34.32
OTHER ASSETS	4.07	1.38	0.78
TOTAL ASSETS	100.00	100.00	100.00
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Notes payable	12.90	1.78	0.48
Accounts payable	13.62	17.83	16.63
Other current liabilities	11.18	9.75	18.57
TOTAL CURRENT LIABILITIES	37.70	29.36	35.68
LONG-TERM LIABILITIES	29.10	28.02	16.00
TOTAL LIABILITIES	66.80	57.38	51.68
SHAREHOLDERS' AND PROPRIETORS' EQUITY	33.20	42.62	48.32
TOTAL LIABILITIES AND EQUITY	100.00	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	1.53	2.20	1.82
QUICK RATIO	1.04	1.54	1.27
TOTAL LIABILITIES TO EQUITY	2.01	1.35	1.07
LONG-TERM LIABILITIES TO EQUITY	0.88	0.66	0.33
ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.57	0.49	0.43

** Sample insufficient for Profit Leaders.

SIGNIFICANT FACTS

	PRINTING AND BINDING**	PRINTING ONLY	
	ALL FIRMS	ALL FIRMS	PROFIT LEADERS
INVESTMENT			
Average assets per employee - All employees	$ 34,153	$ 50,402	$ 60,891
Average assets per factory employee (Excluding Executives)	45,311	68,884	77,564
Average net worth per employee - All employees	11,193	22,101	30,293
Average gross plant investment per factory employee (Excluding Executives)	34,874	43,127	50,924
Net worth percentage of fixed assets	118.26%	144.42%	152.17%
EMPLOYEES			
Percent factory - All employees	80.73%	79.32%	83.33%
Percent administrative - All employees	9.89	11.32	8.30
Percent sales - All employees	9.38	9.36	8.37
SALES - VALUE OF PRODUCT PRODUCED INCLUDING EXECUTIVES			
Sales per employee - All employees	$ 62,181	$ 86,629	$ 107,201
Sales per factory employee	78,013	111,576	128,642
Sales less material per factory employee	45,681	56,137	73,638
Sales per administrative employee	672,072	1,029,704	1,656,627
EXCLUDING EXECUTIVES			
Sales per employee - All employees	67,251	94,658	117,167
Sales per factory employee	81,955	120,698	137,472
Sales less material per factory employee	48,024	60,597	78,817
SALES PER SALESMAN	1,198,079	1,113,474	1,592,271
SALES TO CURRENT ASSETS	354%	297%	290%
PAYROLL - INCLUDING TAXES AND BENEFITS INCLUDING EXECUTIVES			
Total payroll percentage of sales	37.72%	32.69%	31.25%
Factory payroll percentage of gross plant investment	78.60	78.58	96.71
Payroll per employee - All employees	$ 22,869	$ 26,478	$ 33,434
Payroll per factory employee	21,266	24,291	28,117
Payroll per administrative employee	28,379	38,674	64,656
Payroll per sales employee	32,365	44,007	83,642
PAYROLL - EXCLUDING TAXES AND BENEFITS EXCLUDING EXECUTIVES			
Payroll per employee - All employees	$ 18,001	$ 21,048	$ 24,855
Payroll per factory employee	17,248	20,161	22,450
Payroll per administrative employee	16,070	16,077	19,633
Payroll per sales employee	26,854	35,031	62,608
EXECUTIVE PAYROLL			
Payroll per executive - All executives	38,263	44,837	65,381
Payroll per factory executive	30,860	31,694	36,433
Payroll per administrative executive	45,328	65,687	107,581
Payroll per sales executive	36,081	52,000	130,000
RECEIVABLES			
Collection period	66.8	60.2	67.6
PROFIT			
Gross profit percentage of sales	18.93%	17.56%	24.90%
Average gross profit per factory employee	$ 15,577	$ 22,966	$ 34,251
Income before taxes percentage of sales	3.20%	5.24%	12.16%
Average income before taxes per employee	$ 2,046	$ 5,105	$ 13,032

** Sample insufficient for Profit Leaders.

RETURN ON INVESTMENT - PER $100 OF SALES

	PRINTING AND BINDING**	PRINTING ONLY	
	ALL FIRMS	ALL FIRMS	PROFIT LEADERS
INVESTMENT			
Current Assets:			
Cash	$ 1.54	$ 3.29	$ 2.22
Receivables	17.21	15.09	17.93
Inventories	9.62	11.07	10.57
Marketable securities	0.75	7.56	4.05
Other current assets	0.98	0.87	0.10
	30.10	37.88	34.87
Plant Investment:			
Land and building	10.59	4.09	5.98
Machinery and equipment	31.52	30.84	24.73
Other fixed assets	2.52	2.79	6.49
	44.63	37.72	37.20
Non-Current Assets	2.51	0.59	0.54
TOTAL INVESTMENT	77.24	76.19	72.61
INVESTMENT TURNOVER PER $100 OF SALES	129.47%	131.25%	137.72%
EARNINGS			
Cost of Product	$81.07	$82.44	$75.10
Selling Expenses	6.40	4.99	7.00
Administrative Expenses	8.21	5.96	5.60
	95.68	93.39	87.70
Income Before Interest, Other Income, and Taxes	4.32	6.61	12.30
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME	5.59%	8.68%	16.94%

** Sample insufficient for Profit Leaders.

	NUMBER OF PARTICIPATING FIRMS	AVERAGE FIRM REPORTING** TOTAL ASSETS	SALES OR VALUE OF PRODUCTION	TOTAL INCOME
TOTAL - ALL FIRMS	35	$ 4,871,000	$ 8,712,000	$ 418,000
TOTAL - PROFIT LEADERS*	3	9,133,000	14,486,000	1,750,000
BY SIZE OF FIRM				
ALL FIRMS				
$1,500,000-$5,000,000	12	1,608,000	3,009,000	92,000
$5,000,000-$10,000,000	10	3,705,000	7,076,000	245,000
Over $10,000,000	11	10,232,000	17,830,000	1,011,000
PROFIT LEADERS				
Over $10,000,000	2	10,995,000	18,392,000	2,228,000
BY PROCESS SPECIALTY				
ALL FIRMS				
Sheet-Fed Offset	21	4,189,000	7,393,000	357,000
Web-Fed Offset	3	4,733,000	8,509,000	520,000
Combination--Sheet-Fed/Web-Fed Offset	11	6,212,000	11,285,000	507,000
PROFIT LEADERS				
Combination--Sheet-Fed/Web-Fed Offset	2	10,716,000	14,458,000	1,726,000
BY PRODUCT SPECIALTY				
ALL FIRMS				
Printing and Binding	30	4,719,000	8,559,000	342,000
Printing Only	5	5,788,000	9,632,000	874,000
PROFIT LEADERS				
Printing Only	2	10,995,000	18,392,000	2,228,000

* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.
** Unlike the ratios shown in these books, these figures are arithmetic averages. See explanatory note on page 42.

HOW THE NUMBERS ARE COMPUTED

The PIA Ratios are computed by the method of relative or common size. With this method each company's dollars are converted into a percentage to the total. Then these percentages are added in total and within a given sales class. This is a very simple way of avoiding what is known as self-weighting when various magnitudes are involved. With this method each company is given equal weight regardless of their size.

The following example illustrates how this calculation process eliminates the problem of the ratios' giving inordinate weight to the results of very large firms.

			% of Sales	
Firm	Sales	Factory Payroll	Firm's Ratio Factory Payroll	PIA Ratio Factory Payroll
A	$ 200,000	$ 60,000	30.0%	
B	500,000	100,000	20.0	
C	8,000,000	975,000	12.2	
			62.2% divided by 3 = 20.7%	

HOW DO YOU COMPARE IN NORTH AMERICA?

The Individual Company Computer Printout is a fundamental part of the PIA Financial Ratio Study. It is a detailed, well-organized presentation of key financial information that encompasses every facet of your printing business. It contains data specific to your company that are not available in the published volumes of the study. The Individual Company Computer Printout, designed with you, the busy printing executive in mind, is a concise presentation of:

- Your firm's operating statement;
- Your firm's balance sheet;
- Supporting schedules for your firm's income statement and balance sheet; and
- Your firm's Return on Investment.

In addition:

- Your firm's financial data are expressed in dollars and ratio form;
- The ratios of your printing firm are compared side by side with the ratios of all other ratio study participants and "profit leaders," based on both sales revenue and value added. Ratios of survey participants and "profit leaders" that produce the same products and use the same manufacturing process are also presented for your immediate comparison;
- Using the same presentation format described in the previous item, the ratios of your printing firm are also compared side by side with the ratios of all survey participants and "profit leaders" that are approximately the same size in terms of sales; and
- Finally, "significant facts" statistics are presented to help you gauge where your company stands relative to industry "profit leaders" and the U.S. and Canadian printing industries as a whole.

Because of the detail that the Individual Company Computer Printout contains, it can quickly help you identify those areas and operations of your business that are running efficiently and those that are not. You'll be able to ascertain the seriousness of problems and how much corrective action is necessary. The bottom line is that you can purchase all of these data for a small fraction of what you would have to pay if you generated a similar analysis from scratch.

If you are part of the 1985 database, and have not already done so, I urge you to make the investment. If you are not part of the database, please consider participating in the 1986 PIA Financial Ratio Study and availing yourself of this particular service.

William A. Rose, II
Director, PIA Financial Services